

Medical Care Advisory Council

Minutes

Date: Thursday, September 11, 2008

Time: 1:00 – 4:30 p.m.

Where: Michigan Public Health Institute
2436 Woodlake Circle
Okemos, MI

Attendees: **Council Members:** Brad Geller, Jacqui Day, Randall DeArment, Jackie Doig, Dave Herbel, Alison Hirschel, Becky Cienki, Jan Hudson, David LaLumia, William Mayer, Peter Schonfeld, Paul Shaheen, Walt Stillner, Mark Tucker, Jocelyn Vanda, Warren White, Claude Young, Harvey Zuckerberg
Staff: Steve Fitton, Billie Hargrove, Edmund Kemp, Sue Moran, Neil Oppenheimer, Charles Overbey, Jackie Prokop, Paul Reinhart, Sashi Gregory

Conference Call None

Attendees:

1. Welcome and Introductions – Jan Hudson

2. CMS Regulations Update – Paul Reinhart/Steve Fitton

Paul Reinhart – Paul provided background on the “7 Deadly Regulations.” He indicated that due largely to support from advocates and provider groups, there was a one year moratorium on the implementation of 6 out of 7 regulations that delays implementation until April 2009. The one regulation left to go into effect has not yet been implemented but should not affect Michigan.

3. Budget Update – Paul Reinhart/Chuck Overbey/Jan Hudson

(Handout)

a. FY2009 State Budget - Paul Reinhart reviewed the FY09 budget. He referenced an increase in funding largely financed by non-General Fund sources that recognizes the continued growth in caseload. The budget maintains the program at roughly current levels.

Charles Overbey also gave an update on the FY09 budget. He mentioned that revenues are holding for the current year and FY09. The downside is that the auto industry is planning to layoff 15% of white collar workforce. The upside is that Big 3 loan guarantees are under discussion. The projected balance at end of FY09 is \$2 million, a razor thin margin.

b. FY2010 State Budget - Charles updated the council on the FY2010 budget. The budget instructions have been sent out, the Governor's budget will be released in February, and budget reductions should be anticipated. Charles indicated that reductions could result from an estimated \$400 to \$700 million in additional potential budget pressures (i.e., MA, DHS, Corrections, etc.). He indicated the structural deficit is an ongoing issue.

Peter Schonfeld asked if the expiration of federal authority for the HMO tax is included in the \$700M of budget pressure. Chuck stated that the current budget assumption for FY10 is that the HMO tax will be replaced by a broader managed care tax.

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Jan Hudson shared documents prepared by Mitch Bean, Director of the House Fiscal Agency, that provided an outlook of future revenues and spending pressures, including Michigan's ongoing structural deficit and future challenges. The documents also include information from his work on the Legislative Commission on Governmental Efficiency.

Jan brought up the potential stimulus package in Congress, which depending on who is in Congress, could possibly lead to an increase in enhanced FMAP and Food Stamps.

4. Adult Benefits Waiver Update/Strategy – Paul Reinhart/Steve Fitton

Jan Hudson began by revisiting the last meeting and the plans there to start a very public advocacy effort to maintain this program beyond the current expiration date of 1/31/09. Janet Olszewski subsequently asked the MCAC to stand down while regulations, budget and other urgent issues were addressed.

Steve Fitton gave some background on financing issues around ABW, and mentioned that the ABW budget is not sustainable as constructed beyond the current expiration date. The original waiver budget intentionally spent 7 years of SCHIP funding in 5 years. He also explained the administration is talking with both presidential candidates to communicate the problem we are facing and seek support for at least a short-term extension. Numerous options are being explored, including conversion of the waiver to a Medicaid plan. The expectation is that a new President would not want 62,000 (130,000 if Plan B participants are included) to lose healthcare coverage in the first week of his Administration.

William Mayer raised the point that leverage with candidates tends to be strongest prior to the election and that direct questioning of candidates on this issue during the campaign may be the best bet for a positive result. There was some discussion among members regarding advocacy around this issue. The conclusion was that a fact sheet on ABW with talking points that address these issues should be developed for use by members with their networks. Peter Schonfeld volunteered to take the lead with Steve Fitton coordinating DCH assistance. William Mayer also offered to assist.

5. HMO Quality Standards – Susan Moran

Susan Moran gave a presentation on Medicaid Managed Care Quality Program Standards (see handout). Following her presentation, members voiced both concerns regarding the program and praise for Sue and DCH for their collaborative work with health plans.

Becky Cienki asked about problems associated with the delay in getting a patient reassigned to a new PCP. This typically takes over a month and often disrupts continuity of care. Sue asked that Becky provide her with specifics.

Dr. Young stated that because HMOs deal with providers differently, depending on their approach to care that this could be problematic.

Dr. Tucker complimented Sue and DCH for working collaboratively with health plans to minimize duplication of plan efforts with accrediting bodies.

Paul Shaheen expressed concern about health plans and the State's systems/processes readiness to effectively enroll and serve pregnant women on 10/1/08. Paul also expressed appreciation for the Department's concern and responsiveness to issues as they have been raised.

Dr. Mayer also complimented Sue and DCH for their collaborative work; however, he also expressed concern about access to sub-specialties (specifically pressures exerted on quaternary care and allegations of "patient dumping"). He also commented on the need for more sensitive measures of quality health care that looked at the most vulnerable.

Dr. Young voiced concerns about the critical need for improved care and access in Detroit, as well as concern about policy change transitions and impacts on provider cash flow.

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Peter Schonfeld stated that hospitals are anxious to be part of the public workgroup on enrollment of pregnant women.

6. Agency Response to Member 'Wish List' – Paul Reinhart

Paul addressed some of the issues on the "wish list" that the council members suggested in the last meeting. He stated that there are only 28 months left in the current administration, and issues on the wish list that we need to accomplish include the following:

1st Priority – find a way to continue to pay for the current program and keep 'what we have'.

2nd Priority – Governor remains committed to coverage of the uninsured.

3rd Priority – Reprocare the health plan (HMO) system (there may be a way to modify the payment concerns voiced by doctors).

4th Priority – Reprocare PBM for pharmacy (multi-state purchasing pool).

5th Priority – ABW continuation.

6th Priority -- Expand consumer choice for long term care (LTC) options (decrease institution based care and increase home-based care options).

Paul also mentioned a few issues that we may have a shot at addressing in the FY10 budget. These include:

- Provider rate increases (especially for doctors and dentists).
- The expansion of Healthy Kids Dental state wide.
- LTC managed care – where we've opened up discussion to include acute care/physical services,
- Quality of Care – Paul brought up the private sector's move towards promoting Patient Centered Medical Homes and the implementation of EMR (which is not cheap)

At the conclusion of this topic, members voiced concerns over administrative issues, particularly around simplification. Paul agreed that the system is very complicated and brought up the BRIDGES and CHAMPS systems initiatives.

Jackie Doig identified automating spenddowns are one simplification idea. She also brought up concerns regarding procedural and paperwork requirements imposed on applicants that keep qualified persons from becoming eligible/enrolled in Medicaid.

7. MCAC Subcommittee Update – William Mayer

William Mayer stated the initial focus of the Long-Range Strategy Sub-Committee is to create a process to generate innovation and bring new ideas to Medicaid. The name the workgroup adopted, and Janet O approved, is the "Medicaid Incubator". He expects the website MSU is developing to help generate/track innovative ideas will be up and running soon.

Bill also informed members about other initiatives the sub-committee was looking at. These include:

- (1) Working with the LEAD user concept (how people at the extremes are getting their care needs met);
- (2) Identify methods to measure success in Medicaid (ie, dashboard)

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8. MCAC Member Activities – All Council Members

Jan Hudson – The MDCH website has financial data reports available but she requested that staff look at whether these reports can be expanded and made more accessible.

William Mayer – The legislature is considering the Indoor Smoke Free Air legislation.

Harvey Zuckerberg – His association is creating a Task Force on Fraud & Abuse in response to concerns about fraudulent claims/billing in Medicaid and Medicare. This is a proactive effort to show the integrity of their membership and to forge partnerships with health care payers and law enforcement.

Jan brought a couple of key future dates to the attention of members: The next MCAC meeting is November 6th and we will address the fact that some member's terms will end with the calendar year. Secondly, on November 13 the Department of Human Services (DHS) will hold a Poverty Summit at Cobo Hall.

9. Policy Update – Ed Kemp and Staff

Jackie Prokop was introduced as the new Policy Section Manager by Ed Kemp. Jackie provided a brief run-through of current policies (see handout).

Alison Hirschel requested that proposed policies be left up on the agency web site for informational purposes after the review period has ended.

10. Bridges/CHAMPS Update – Don Mussen and Dave McLaury

Dave McLaury provided an update on the Bridges project (see handout).

Jan Hudson asked for working data. Dave McLaury stated it was available on our website.

Don Mussen provided an update on the CHAMPS project (see handout). The pilot was reduced from 3 counties to 1 (Calhoun) and was implemented on August 19. Lots of issues have arisen, but problems are being addressed before moving forward.

4:30 – Adjourn

Next Meeting: Thursday, November 6, 2008

MPHI, 2436 Woodlake Circle, Okemos, MI

517-324-8300